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Testimony of

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President
U.S.- Vietnam Trade Council

For the

Senate Finance Committee

Mr. Chairman and Committee Members, I am pleased to be here today representing the U.S.-Vietnam Trade Council to testify before your Committee at this important time in U.S.-Vietnam relations as you assess the granting of Normal Trade Relations (NTR) status to Vietnam bringing the U.S.-Vietnam bilateral trade agreement into force.

The U.S.- Vietnam Trade Council, founded in 1989, is a trade association with strong membership from the American business community and offices in Washington D.C. and Hanoi. We have worked along with our educational affiliate, the U.S.-Vietnam Forum, to help improve relations between the United States and Vietnam with educational exchange programs, annual conferences, Congressional delegations and programs designed to provide technical assistance on international trade norms and standards. We chair a coalition of over 270 associations and companies, the Coalition's letter to President Bush urging the granting of NTR status to Vietnam is attached. I hope this and my full testimony can be submitted into the hearing record.

Today I would like to discuss the importance of the U.S.-Vietnam Trade Agreement, signed on July 13, 2000 and the positive impact that normalization of relations has had on cooperation between the United States and Vietnam in a number of areas. This agreement, and the granting of NTR status will mark the beginning of a new and extremely important chapter in U.S. – Vietnam relations. This is the bill now before Congress and it is arguably the most important step for our two countries since the end of the war.

Beginning in the late 1980's, the Vietnamese government committed to ending its isolation and began working to normalize relations worldwide. Vietnam has had tremendous diplomatic and commercial success in establishing relations in Europe, within Asia and with the United States. Vietnam joined ASEAN in 1995, APEC in 1998, and now belongs to over a dozen international organizations and signed onto numerous international agreements. Vietnam has observer status in the WTO and is committed to joining in the coming years. But while Vietnam has granted normal trade relation tariffs to American products, the U.S. has not yet granted the status to Vietnam.

The Reagan, Bush and Clinton administrations have all followed a policy of normalizing relations with Vietnam through a step-by-step process pegged to cooperation on the U.S.'s principal goal of seeking the fullest possible accounting for our missing in action from the Vietnam War, a comprehensive settlement in Cambodia and immigration issues. As the attached timeline shows, this process has proceeded successfully, albeit slowly through three administrations. Overall it has led to the lifting of the trade embargo in 1994, the establishment of diplomatic relations in 1995, and the beginnings of economic normalization including the initial waiver of the Jackson-Vanik amendment in 1998, and now the granting of NTR status.

Other bi-lateral steps such as an aviation agreement, a textile agreement, PNTR, and WTO accession lie in the future.

Throughout the process of normalization, Vietnam has greatly enhanced its efforts on issues of high priority to the U.S. including MIA efforts, immigration goals, and economic integration. Vietnam and the U.S. have also developed important bilateral dialogue on human rights and labor standards. During President Clinton's historic visit in November 2000, the U.S. and Vietnam signed a Memorandum of Understanding to formalize a program of cooperation and dialogue on labor issues. The U.S. has also pledged \$3 million dollars in technical assistance to Vietnam for bilateral projects on labor issues, which will be implemented in collaboration with the International Labor Organization (ILO).

The conclusion of the U.S.-Vietnam Trade Agreement last year was a key step to further progress in normalizing relations. The U.S.-Vietnam Trade Agreement is the most comprehensive trade agreement Vietnam has ever signed, and the most comprehensive NTR trade agreement the U.S. has ever negotiated. In exchange for sweeping commitments from Vietnam including providing greater market access for trade in goods and services, protecting intellectual property rights, improvements in the investment regime, and far greater transparency, the U.S. would grant Vietnam normal trade tariffs – moving Vietnam from column two in the U.S. tariff code to column one.

The agreement, if approved by Congress, would grant NTR status to Vietnam subject to an annual review under the Jackson-Vanik Amendment. Presently, Vietnam is one of only five countries that does not have NTR with the U.S., including Afghanistan, Cuba, Laos, and North Korea. It should be noted that Congressional passage of the U.S.-Vietnam Bilateral Trade Agreement is not equivalent to last year's Congressional passage of PNTR for China – it is equivalent to granting of annual MFN status to China in 1979 when the U.S. and China normalized diplomatic relations. The annual renewal of the NTR status for Vietnam under the Jackson-Vanik waiver provisions will continue.

The Vietnamese government has committed to important reform in the areas of trading rights, transparency, customs, investment, services, and intellectual property rights. Although bilateral trade was a modest \$1.2 billion in 2000, Vietnam is the second most populous nation in Southeast Asia and 12th largest in the world with a population of 78 million and enormous growth potential. Moreover, approval of the trade agreement will ensure that exports from U.S. companies will receive treatment in Vietnam no less favorable than products of foreign competitors. Vietnam has signed bilateral trade agreements and granted reciprocal NTR to 72 countries, including the European Union and its Asian neighbors.

The signing of the U.S.-Vietnam trade agreement was a watershed event. While the negotiations between the U.S. and Vietnam were long and difficult, it was the negotiations between and among the Vietnamese that were the most important. The result is that the BTA is an important blueprint or roadmap for Vietnam to follow while tackling some of the more difficult issues of economic reform which lie ahead. It is a roadmap of commitment that the Vietnamese government reached consensus on before signing.

Towards this end, commercial law reform is already underway. Vietnam passed a new Insurance Law in December 2000 and is finalizing the implementing regulations. The General Department of Customs has drafted a new Customs law, which passed overwhelmingly in the National Assembly on June 23. The new law is based on WTO valuation procedures and has

been favorably reviewed by international customs experts. Vietnam is also addressing competition policy, the elimination of burdensome registration and licensing procedures, intellectual property protection, administrative procedures, and increased transparency. A new database of Vietnamese law is now available on the internet and the Ministry of Planning and Investment in Ho Chi Minh City will offer online licensing for foreign investment projects that do not require appraisal.

With respect to IPR issues, Vietnam has recently made significant legal reforms in preparation for implementation of the trade agreement. A system has been put in place for patent and trademark registration. In the year 2000 several important decrees protecting trade names, trade and business secrets, patent registration and protection of industrial designs were issued.

The Enterprise Law, which came into effect in January 2000, marked an turning point in Vietnam's efforts to reform the domestic private sector. According to the World Bank in the year 2000 more than 14,000 private small and medium sized enterprises (SMEs) were registered under the new Enterprise Law compared to only 3,000 registrations a year, for the previous three years. These figures are very significant given the small size of Vietnam's fledgling private sector. The number of enterprises founded in the six months after the law went into effect in January 2000 equals the total number of enterprises founded in the previous nine years. According to the World Bank, in 1990 there were 110 domestic enterprises, in 2000 there were 35,000.

The number of private enterprises engaged in trade has multiplied five times between 1997 and 2000. As a result the share of private domestic firms has increased from 4 percent to 16 percent of total imports and from 10 percent to 17 percent of total exports. For non-oil exports the percentage is higher at 22 percent. Total non-oil exports grew by 42 percent from 1997 to 2000. Private domestic exports grew by 161 percent during this time period and accounted for 46 percent of the overall increase. Reforms in licensing procedures were partially responsible for an upsurge in foreign investment this year. The World Bank noted that a total of \$882 million in new pledged investment from January to June this year is "two and a half times more than in the same period last year."

Also important was the opening of a stock market in July 2000. The tiny stock market currently deals treasury bonds and shares of only five listed companies, but the government plans to open a second transaction center in Hanoi and develop the OTC market (Over-the-Counter) for companies prior to listing. Additional companies are expected to be listed on the market this year. Vietnam's State Securities Commission (SSC), will join the International Organization for Securities Commissions this month.

The United States should continue to be involved in this process. It is in our interest to see an economically healthy and internationally engaged Vietnam. The Economist Intelligence Unit estimates that although GDP growth increased in 2000 to 6.5%, international experts predict it will slow in 2001 due to falling world growth rates, stagnant prices on rice and coffee and continuing low levels of FDI. However, the EIU estimates that passage of the bilateral trade agreement with the U.S. this year would boost Vietnam's GDP growth again in 2002 to 6.8%. With fully normalized economic relations, the United States could well join the top ranks of investors in Vietnam.

The agreement includes important benefits for American business, consumers and farmers. Trade rights will be liberalized for U.S. firms, current tariff rates on key agricultural and industrial goods will be reduced by 30 to 50 percent over the next three years; and quantitative restrictions will be removed on steel and cement after six years and petroleum products after seven years. Other immediate improvements will be made in trading, IPR, transparency, investment and services. In the services sector, Vietnam will provide American companies with greater access than low and middle-income WTO members provide, and entry into and equity in banking services will be increased. WTO consistent intellectual property rights will be introduced in 12-18 months and all WTO inconsistent trade related investment measures will be eliminated within five years. The chapter on transparency requires that all laws and governing decrees be published, and that the right of appeal and tribunals for review be established.

The BTA will not only strengthen market access for American companies in Vietnam, it will also greatly benefit the people of Vietnam. With a per-capita GDP of \$395, Vietnam is still one of the poorer nations in the world. In a comprehensive report, the World Bank concluded that significant achievements on reducing poverty were made in the period between 1993 and 1998 and continue. The proportion of people with per capita expenditures under the total poverty line dropped impressively from 58 percent in 1992/93 to 37 percent in 1997/98. The number of people below the much lower "food poverty line," has also declined from 25 percent to 15 percent, indicating that the very poorest segments of the population have experienced improvements in their living standards between 1993 and 1998. Even with these remarkable improvements, the incidence of poverty remains high at 37 percent.

The BTA could contribute to lifting Vietnam out of endemic poverty by increasing trade, investment, and development in Vietnam, as well as promoting market reforms, including greatly expanded trading rights. Furthermore, by expanding trade and extending the rule of law in Vietnam, the BTA will encourage access to information and greater transparency for domestic enterprises as well. Vietnam has great potential for development as a significant trading partner worldwide. Over half the population is under the age of 25 and the literacy rate is over 90%. The work ethic, entrepreneurial talent, and emphasis on education is strong.

American involvement in the process of economic reform is welcome in Vietnam and could be extremely important to overall development in the long run. American companies set a high standard for trade, investment, labor and business practices. American management and technology is greatly admired in Vietnam. American companies are actively involved in training programs in Vietnam, through the Trade Council and individually. American products are popular. Our business community, particularly with great involvement by the Vietnamese-American community, continues to play a key role in the normalization of relations.

In the absence of NTR status, a trade agreement, and initially without trade support programs, American companies and individuals nonetheless began traveling, investing and trading with Vietnam. Given that the U.S. normalized relations far more slowly than other nations did, American business involvement in Vietnam has lagged behind other nations and still operates with severe handicaps. The U.S. fell from the fifth largest investor in 1995, to the 12th largest investor in 2000 with slightly under one billion committed to foreign investment projects, and one billion in two-way trade.

Following the initial "road map" for normalization laid out under the Bush Administration in April 1991, the bilateral relationship has made a great deal of progress. The

road map pegged normalization of relations to full cooperation from Vietnam in accounting for U.S. personnel listed as prisoners of war/missing in action (POW/MIAs), a comprehensive settlement in Cambodia, and immigration issues. On February 3, 1994 President Clinton lifted the trade embargo on Vietnam, and in 1995 the U.S. and Vietnam settled bilateral property claims and opened diplomatic liaison offices in Washington and Hanoi. In 1997 the Senate approved Vietnam War POW and former Member of Congress, Pete Peterson as U.S. Ambassador to Vietnam. In 1998 President Clinton issued the first waiver of the Jackson-Vanik Amendment, which Congress upheld by a vote of 260 in favor and 163 opposed. Congress renewed the waiver in 1999 by a vote of 297 in favor and 130 opposed. In 2000 the margin increased positively again to 332 in favor and only 91 opposed.

The initial Jackson-Vanik waiver in 1998 allowed trade support programs, such as loans from the Overseas Private Investment Corp (OPIC), the Export-Import Bank (Exim) and other credits for American business to establish operations in Vietnam. Since reopening in Vietnam, OPIC has committed over \$10 million in direct loans to two projects and has registrations for 26 projects seeking political risk insurance. OPIC also supports four privately managed private equity funds that are eligible to invest up to \$640 million in projects in Vietnam. In December 1999 Exim and the State Bank of Vietnam completed the framework agreements, which allowed Exim to begin operations in Vietnam.

Initially, U.S. policy pegged the Jackson-Vanik waiver to progress on the Resettlement Opportunity for Vietnamese Returnees (ROVR) program specifically and immigration in general. Although it was extremely difficult to reach agreement initially, the implementation of the ROVR program has been fairly smooth and rapid. The State Department reports that the government of Vietnam has cleared over 96% of the nearly 20,000 ROVR cases. The Orderly Departure immigration program overall has also been successful. Approximately half a million Vietnamese have come to the United States under ODP and only a small number of ODP cases remain to be processed. Since the initial waiver of Jackson-Vanik, the Vietnamese have allowed all remaining ODP cases – including the Montagnard cases which are of particular concern to the U.S. – to be processed under the new more responsive system developed by the Vietnamese initially just for ROVR cases.

The ODP office in Bangkok has been closed and responsibility for handling the few remaining cases was successfully transferred to the Refugee Resettlement Section (RRS) at the Consulate General of Ho Chi Minh City, which opened in August 1999. It is expected that interviews of remaining ODP and ROVR applicants, of which a few hundred remained as of June 2000, will be concluded in the near future.

With respect to the search for our POW/MIAs from the war, Vietnam has developed a permanent staff to visit crash sites and interview witnesses throughout the country. The U.S. and Vietnam have provided reciprocal access to information on MIAs from the war and have conducted 41 Joint Field Activities on POW/MIA cases since 1993. Vietnam has unilaterally undertaken case specific investigations in 216 cases since 1996. Of 196 persons associated with "last known alive" cases in Vietnam, fate has been determined for all but 41. President Bush most recently certified Vietnam issuing a determination that Vietnam "is fully cooperating in good faith with the United States."

Our relationship has strengthened in other areas as well. Americans are traveling to Vietnam in great numbers. In 1997 Vietnam issued 98,000 visas for Americans to travel to Vietnam, over 66,000 for Vietnamese Americans wanting to visit their homeland. In 2000 the

total was 152,928 visas, approximately 137,000 of which were for Vietnamese Americans. Remittances from overseas Vietnamese are estimated at \$2-3 billion annually and this year one hundred and fifty thousand overseas Vietnamese worldwide returned to Vietnam for the Lunar New Year, a record number. Vietnam veterans are traveling and working in Vietnam, and many veterans groups organize visits for their members.

In November 2000, President Clinton became the first U.S. President to visit Vietnam since the end of the war. During the President's trip ten new business partnerships were announced and our two countries concluded numerous bilateral agreements. One of these was an Agreement on Scientific and Technological Cooperation to facilitate cooperation between American and Vietnamese scientists in areas such as health, technological innovation and entrepreneurship, disaster mitigation and marine and water resource management. Increased cooperation in the prevention and treatment of infectious diseases, including typhoid fever and HIV/AIDS, will strengthen Vietnam's ability to meet critical health challenges. Environmental projects operate through the U.S. Asia Environmental Partnership and cooperation on Agent Orange research.

Equally important, the U.S. and Vietnam also signed a Memorandum of Understanding on Labor in November 2000. The MOU was the result of a dialogue over labor that the U.S. and Vietnam have developed. The MOU includes \$3 million in technical assistance working with the ILO to strengthening labor protection, skills training, employment services, social insurance and safety nets, employment of the disabled, industrial relations and child labor. The child labor provisions focus on street children and child trafficking. Workplace education and prevention programs on HIV/AIDS are also including in the MOU. Vietnam also ratified the International Labor Convention on the Elimination of the Worst Forms of Child Labor, thus joining the United States and 45 other countries.

The 1994 Labor Code, incorporating standards of internationally recognized worker rights. A complete English translation of the Labor Code can be found at <http://www.ivietnam.com/Eng/> in the iVietnam Law database. The labor code stipulates the requirements for the formation of unions. In addition to trade unions, the Labor Code stipulates a number of workers' basic rights including: freedom to chose employer (Article 30), standard work week (Article 68), overtime limits and pay (Article 61), leave, holidays, and rest (Article 71, 73, 74 & 78), minimum wage, bonuses (Article 64), maternity leave (Article 114 & 144), severance entitlements (Article 17 & 42), workplace safety (Article 97 & 100), etc. In recent years, the Government of Vietnam has sent labor experts to the U.S., the U.K., Singapore, New Zealand, South Korea, and Hong Kong in its efforts to update the 1994 Labor Code.

Since 1992, Vietnam has ratified 15 conventions, including three of the ILO's eight core human rights conventions: No. 100, equal pay for men and women for work of equal value (ratified by Vietnam in 1997); No. 111, prohibiting discrimination in employment (1997); and No. 182, prohibiting the worst forms of child labor (2000). Currently, the Vietnamese are working on a plan to gradually ratify the remaining core ILO conventions and hope to ratify both forced labor conventions and the minimum age convention. With offices in Hanoi, the ILO has 24 ongoing projects, six of which the ILO defines as promoting fundamental principles and rights at work.

On commercial law reform, during President Clinton's trip, the U.S also pledged six million in technical assistance to Vietnam over a three-year period to assist with implementation of the bilateral trade agreement. Through a grant from the U.S. Agency for International

Development (USAID) and the support of our members, the U.S.-Vietnam Forum has provided technical assistance on commercial and legal reform to Vietnamese Ministries and government branches with economic portfolios. The Forum provides technical assistance on the issues raised by the BTA and WTO standards. Recently this work has included assistance with the new Insurance law, which passed the National Assembly in December 2000, drafting the implementing regulations for the new Insurance law, and the new Customs law, which just passed the National Assembly last week. We also worked with the Ministry of Justice and Ministry of Trade on a “roadmap” of Vietnam’s commitments in the trade agreement as they affect current laws and regulation, and will continue to assist in overall BTA implementation as it relates to changes required to these procedures.

Since our two countries set out on the path to normalized relations, Vietnam has enjoyed many successes and a few setbacks. The bold economic reform program that Vietnam embarked on in the late eighties showed impressive results almost immediately. Vietnam went from near famine to become the third largest rice exporter behind Thailand and the United States in a matter of a few years. In the year 2000, Vietnam was the second largest coffee exporter after Brazil. Economic growth rates climbed to 8 and 9 percent in the mid-nineties. Foreign investors flocked to Vietnam. From 1988 – 1999 over \$36.6 billion in foreign investment was committed. With Vietnam’s very low per capita income of approximately \$250 per year in the early 1990s, the international donor community began generous overseas development assistance programs. Vietnam received more than 1.5 billion dollars in disbursed aid last year. The figure is expected to fall to between 1.2 and 1.3 billion dollars in 2001. From 1993 when Vietnam first became eligible to the end of 2000 total ODA equaled \$7.5 billion.

But by 1996, Vietnam’s impressive FDI growth had peaked at \$8.6 billion. As the Asian Financial Crisis hit, and Vietnam’s economic reform stalled, foreign investment dropped by 40% in 1997 to \$4.6 billion and continued to decline. In 1998, FDI commitments totaled approximately \$3.8 billion and in 1999 dropped to \$1.5 billion. Official GDP growth rates were calculated at around 5% in 1998 and 4.7% in 1999, a ten-year low. In 2000 GDP growth climbed back to 6.5%, but is expected to drop off again in 2001 due to low levels of FDI. Unemployment has hovered around 7.4 percent since 1999, when it climbed up from a low of 5.9 percent in 1996. At the same time, the poverty rate has fallen by half in the past ten years, one of the sharpest declines for any country. Income per person is now around \$370 per year and much higher in the major cities.

About 70% of Vietnam’s population of 78 million, live and work in rural areas. In the industrial sector, some 25% of the work force is in the state sector, 60% in the private sector and 10% in the foreign invested sector. Currently the private sector accounts for only half of GDP, a disappointing constant percentage over the last five years – 34% from farm-based and service sectors, 10% from the foreign invested sector, and only 7% from small to mid-size enterprises. With 50% of the population under 25, and as state enterprises are equitized, new jobs will need to be created in the private sector. Each year 1.2 million job seekers enter the labor market.

Vietnam has made substantive progress in political and social reforms since the launching of doi moi in 1986. There have been improvements in human rights, with the release of hundreds of political detainees and re-education camp inmates, the return of thousands of Vietnamese who had fled abroad as refugees, and increased willingness on the part of the government to cooperate with the U.N. on human rights issues. Vietnam signed the International Covenant on Civil and Political Rights (ICCPR) in 1982, and recently began to

work with the U.N. to address the rights protected in the Covenant. In 2000 Vietnam released over 20 religious or political prisoners from jail, including 12 Hmong Protestants and three Catholic priests. Some dissidents released from prisons still face harassment, but they have been able to meet outsiders and supporters.

Although substantial problems remain, religious freedom in Vietnam has generally improved over the past ten years and the individual practice of religion has increased dramatically. In the past three years the Government has loosened restrictions on Roman Catholics, relaxing the requirement that clergy belong to the government-run Catholic Patriotic Association. Authorities allowed the Vatican's ordination of a new archbishop in Ho Chi Minh City in 1998 as well as the ordination of five bishops in other dioceses in 1998 and 1999. A high-level Vatican envoy made his annual visit to the country in May 2000, during which the filling of other vacant bishoprics was discussed. In June 2000, a bishop was named for Da Nang province, and in August 2000, a bishop was named for Vinh Long province. In 1998 a number of bishops traveled to Rome, Italy, for a synod of Asian bishops. Up to 200,000 Catholics gathered in August 1999 at an annual Marian celebration in La Vang in the central part of the country and celebrated their faith freely there. The government of Vietnam now officially recognizes six religions, including the Federation of the Evangelical Church of Vietnam which was formally recognized this year.

Social and political reform is also evidenced by the formation and changing composition of the National Assembly. The position of Vietnam's National Assembly as the highest organ of the State is fixed in the 1992 Constitution and is elected directly by the people through secret ballot. The National Assembly approves the state budget, and has the final say on large scale or long-term economic projects. In practice, the National Assembly is increasingly assertive in Vietnam's political structure, taking a more active role on reviewing legal reforms. Women make up over 25 percent of the National Assembly, and in the present Assembly 14 percent of the representatives are non-Party members.

This year signifies a dramatic and encouraging development in Vietnam's political leadership. At the 9th Party Congress in April, Nong Duc Manh was named as Vietnam's first ethnic minority to hold the nation's highest position of General Secretary. He is regarded as a reform-minded leader who will address corruption and work to quickly implement economic reform. Mr. Manh previously served as National Assembly Chairman from 1992 – 1996 and again from 1997 to spring 2001. The new National Assembly Chairman Nguyen Van An, another reputed reformer, was announced in June. These developments bode well as an indication that Vietnam continues on its path of reform and development.

The U.S. is at an important juncture in developing relations with Vietnam. This crucial trade agreement and the ability to normalize commercial relations with Vietnam is now before Congress. We hope Congress can act. Secretary Powell visits Vietnam next month on July 25-26 for the annual ASEAN Regional Forum and should be able to tell the Vietnamese and the Americans that normal trade relations are established. The U.S. and Vietnam have built a strong, multifaceted relationship tackling many aspects of our past and future relationship. NTR status should now be added.

Vietnam's strategic and economic role in the region and the well being of the Vietnamese people will be greatly affected by U.S.- Vietnam relations and by the course of bilateral relations. The strongly bi-partisan policy of a step-by-step process of normalizing relations with Vietnam has produced positive results for American, Vietnamese and regional interests,

and we encourage a continuation of this policy into the future. Vietnam and the U.S. share a tragic history, which both countries are mindful of as we build a new future. Comfort with the outside world's intentions and a growing economy will continue to contribute to Vietnam's increased openness, increased transparency in government, a rise in living standards, and greater international economic and political integration. This policy of normalization has also ensured that American business, diplomatic and regional interests are met. The past ten years is proof.

We strongly urge the quick passage of SJ Res. 16 granting NTR status to Vietnam.



THE COALITION FOR U.S.-VIETNAM TRADE

January 29, 2001

The President
George W. Bush
The White House
Washington, D.C. 20500

Dear Mr. President,

The United States and Vietnam concluded a comprehensive bilateral Trade Agreement on July 13, 2000. As representatives of American business, agriculture and consumers, we urge you to transmit the Agreement to Congress this February and seek its earliest approval. Much progress has been made in restoring relations with Vietnam since the late eighties and it is important to continue to build on this positive momentum. Transmission of the agreement at this time would maintain the strong bipartisan support for trade with Vietnam evidenced by the increasingly positive annual votes on the Jackson-Vanik waiver.

Congressional passage of the trade agreement will extend normal trade relations to Vietnam for the first time since the Vietnam War thereby opening new opportunities for American and Vietnamese business people. The bilateral trade agreement addresses trade in goods and farm products, trade in services, intellectual property rights and foreign investment. This will create more open market access, greater transparency and lower tariffs for U.S. exporters and investors in Vietnam. These provisions will enable American companies and products to compete effectively with European and Asian companies and products in the Vietnamese market, which will benefit American entrepreneurs, workers, farmers and consumers. At the same time the United States will extend to Vietnam the tariff treatment it grants to virtually every other country in the world. Normalizing our trade relationship with Vietnam will strengthen America's constructive role in Southeast Asia's political and economic development and further assist market reforms in Vietnam.

In addition to the economic benefits, there are security benefits from the agreement that should not be overlooked. Vietnam has greatly enhanced its efforts on issues of importance to the U.S. since the normalization of relations in 1995, including joint MIA efforts, immigration goals, and international economic integration. We would like to thank you for your consideration and look forward to working with you and your team on international trade policy.

Sincerely,

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AeA
Aetna International, Inc.
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Air Products and Chemicals, Inc.
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American Apparel and Footwear Association
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Motor & Equipment Manufacturers Association (MEMA)
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National Association of Chain Drug Stores
National Association of Wheat Growers
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National Electrical Manufacturers Association
National Foreign Trade Council
National Retail Federation
Nations Trading Group
New York Life International, Inc.
NFO Vietnam
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Nortel Networks
Northwest Airlines, Inc.
O2 Architecture
Offshore Production and Exploration Company, Inc.
Ohio Alliance for International Trade
Oklahoma Chamber of Commerce
Oracle Corporation
Oregon Potato Commission
Owens Forest Products
Pacific Architects & Engineers
Pacific Basin Economic Council – U.S. Committee
Pacific Basin Partnership
Pacific Sun – A California LLC
Pacific Ventures Inc.
Paragon Solutions, Inc.
PATH (Program for Appropriate Technology in Health)
Payless ShoeSource, Inc.
PepsiCo, Inc.
Pfizer Inc.
Polaroid Corporation
Potash & Co.
The Powell Group
Power Conversion Products, LLC
PricewaterhouseCoopers (Vietnam) Ltd.
Procter & Gamble
Pulse Engineering
quantumStream Systems Inc.
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Regent International
REI-Vietnam
Retailers Association of Massachusetts
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Russin & Vecchi
Samuels International Associates, Inc.
San Francisco Mayor's Office of International Trade
Sepre 24 Security Company
Small Business Exporters Association

Solar Electric Lighting Company (Vietnam) Ltd.
Source One Sales, Inc.
Sporting Goods Manufacturers Association
Squire Sanders & Dempsey (Asia)
Standard Chartered Bank
Stephen Woolley and Associates, Architects
Sterling Industries, Inc.
Sun Microsystems Inc.
Taylor/Hayes, Inc.
Telecommunications Industry Association
The Topline Corporation
Toy Manufacturers of America
Trefethen Vineyards Winery
Tropic Dane-Vietnam
TRW Overseas Inc.
Ulysses netSolutions Inc.
United Industries, Inc.
United States Council for International Business
United Tech Inc.
United Technologies Corporation
Unocal
UPS
U.S. Association of Importers of Textiles and Apparel
U.S. Chamber of Commerce
U.S. Grains Council
U.S. Wheat Associates
U.S.-ASEAN Business Council, Inc.
U.S.-Vietnam Trade Council
VERI
Vermont Retail Merchants Association
Vietnam Energy Recovery, Inc.
Vietnam Enterprise Group
Vietnam Venture Group, Inc.
Vietnam Veterans Memorial Fund
Vinefera Wine Growers Association
VNetSoftware, LLC
Wal-Mart Stores, Inc.
Ward Petroleum Inc.
Warnaco Inc.
Washington Council on International Trade, Seattle, WA
Washington State Potato Commission
Webster Industries
Western Flavors And Fragrances, Inc.
Wheat Export Trade Education Committee
Zamil Steel Buildings Vietnam Co., Ltd.
Zippo Vietnam



Chronology of U.S. - Vietnam Relations

April 30, 1975	North Vietnamese forces take over the southern part of Vietnam, ending the war. Washington extends an embargo to all of Vietnam and breaks diplomatic relations.
1978	Secret talks between Hanoi and Washington on normalizing relations break down.
1988	Under the Reagan Administration, Vietnam begins cooperation with the United States to resolve the fate of American servicemen missing in action (MIA).
September 1989	Vietnam completes its withdrawal from Cambodia.
April 1991	Under the Bush Administration, Washington presents Hanoi with a "roadmap" plan for phased normalization of ties. The two sides agree to open a U.S. government office in Hanoi to help settle MIA issues.
April 1991	U.S. begins humanitarian aid projects for war victims to be administered by the U.S. Agency for International Development (USAID).
October 1991	The Senate Select Committee on POW/MIA Affairs is established. Senator John Kerry was Chair and Senator Bob Smith was Vice Chair.
October 1991	Vietnam supports U.N. peace plan for Cambodia. Secretary of State James Baker announces Washington is ready to take steps toward normalizing relations with Hanoi.
December 1991	Washington lifts the ban on organized U.S. travel to Vietnam.
1991	U.S. Congress authorizes the United States Information Agency (USIA) to begin exchange programs with Vietnam.
February 1992	Joint Task Force - Full Accounting was founded to conduct field activity on MIA accounting with General Thomas Needham in command.
February 1993	The work of the Senate Select Committee is concluded.
July 2, 1993	President Clinton clears way for resumption of international lending to Vietnam.
July 27, 1994	Senate in favor of a resolution urging the Administration to lift embargo, saying this would help get a full account of MIAs.
February 3, 1994	President Clinton lifts trade embargo.
January 28, 1995	United States and Vietnam sign agreements settling property claims and

	establishing liaison offices in each other's capitals.
May 15, 1995	Vietnam gives U.S. presidential delegation batch of documents on missing Americans, later hailed by Pentagon as most detailed and informative of their kind.
June 1995	Veterans of Foreign Wars announces support of U.S. normalization of diplomatic relations with Vietnam.
July 11, 1995	President Clinton announces ``normalization of relations" with Vietnam.
August 6, 1995	Secretary of State Warren Christopher visits Hanoi and officially opens U.S. embassy.
May 1996	U.S. presents Vietnam with trade agreement blueprint.
April 7, 1997	U.S. Treasury Secretary Robert Rubin and Finance Minister Nguyen Sinh Hung sign accord in Hanoi for Vietnam to repay debts of approximately \$145 million, which Vietnam assumed from the former government of South Vietnam.
April 10, 1997	Senate confirms Douglas "Pete" Peterson, Vietnam War veteran and former prisoner of war (POW), as Ambassador.
April 16, 1997	United States and Vietnam reach agreement on providing legal protection for copyright owners.
May 9, 1997	Peterson takes up post as U.S. Ambassador in Hanoi, Ambassador Le Bang to Washington.
August 1997	U.S. government under the U.S. Agency for International Development (USAID) begins a commercial law program.
October 1997	Vietnam institutes new processing procedure in ROVR program significantly improving progress.
March 11, 1998	President Clinton issues waiver of Jackson-Vanik Amendment for Vietnam, paving the way for OPIC, Ex-Im, USDA and MARAD.
March 26, 1998	Minister of Planning & Investment Tran Xuan Gia and Ambassador Pete Peterson finalize signing of the OPIC bilateral for Vietnam.
July 23, 1998	The U.S. Senate votes 66-34 to continue funding for the U.S. Embassy in Vietnam based on ongoing cooperation on the POW/MIA issue.
July 30, 1998	The U.S. House of Representatives renews the Jackson-Vanik waiver for Vietnam by a 260 to 163 vote margin.
October 1998	U.S. and Vietnam agree to negotiate Science & Technology Agreement.
June 30, 1999	President Clinton re-extends the Jackson-Vanik waiver for Vietnam.
July 25, 1999	USTR Ambassador Richard Fisher and Vietnam Trade Minister Tuyen agree to a bilateral trade agreement in principle in Hanoi, Vietnam.
August 3, 1999	The Jackson –Vanik waiver passes the House by a vote of 297 to 130.
December 9, 1999	Ex-Im and the State Bank of Vietnam complete the framework agreements which allow Ex-Im to begin operations in Vietnam.
March 13, 2000	Secretary of Defense William Cohen became the first U.S. Defense Secretary to visit Vietnam since the end of the War.
July 13, 2000	Vietnam Trade Minister Vu Khoan and USTR Ambassador Barshefsky

	sign an agreement on trade relations at USTR. President Clinton announces the conclusion of a bilateral trade agreement from the White House Rose Garden.
July 26, 2000	Congress voted 332-91 to renew the Jackson-Vanik Amendment for Vietnam for the year 2000.
November 16-20, 2000	President Clinton visits Vietnam, with Commerce Secretary Norman Mineta, USTR Ambassador Charlene Barshefsky, Senator John Kerry (D-MA), Congressmen Earl Blumenauer (D-OR), Loretta Sanchez (D-CA), Vic Snyder (D-Ark), and Mike Thompson (D-CA). Also business delegations and the leadership of the Veterans of Foreign Wars attended.
November 17, 2000	The U.S. Department of Labor and Vietnam's Ministry of Labor, Invalids, and Social Affairs sign a Memorandum of Understanding on Labor cooperation.
January 15-18, 2001	House Minority leader Dick Gephardt (D-MO) and Congressman Ray LaHood (R-IL) lead a Congressional delegation to Vietnam.
June 1, 2001	President Bush renews the Jackson-Vanik waiver for Vietnam.
June 8, 2001	President Bush transmits the request for NTR for Vietnam and implementation of the trade agreement to Congress.
June 9, 2001	Ambassador Le Van Bang, Vietnam's first post-war ambassador returns to Vietnam.